



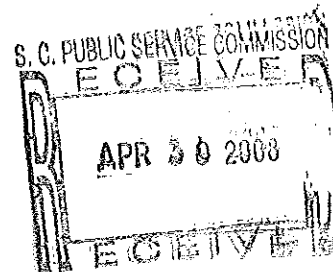
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April 28, 2008

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

2006-63-E



Posted: lod

Dept: S.A.

Date: 4/30/08

Time: 4:10

Re: Annual Progress Update Under  
Order Granting Waiver of Meter Testing  
Requirements

Dear Mr. Terreni:

Under DOCKET NO. 2006-63-E - ORDER NO. 2006-159 dated March 13, 2006, the Public Service Commission of South Carolina granted Lockhart Power Company (Lockhart or Company) a waiver of the Commission's meter testing requirements as set forth in Commission Regulation 103-370. The Company had requested that the waiver be granted in order to avoid the cost to the Company and the ratepayer of the testing of meters that were scheduled for replacement during years 2006 - 2008. The Commission granted the waiver to extend through the end of the Company's 3-year meter replacement process.

In issuing its order the Commission directed Lockhart to submit to both the Commission and the ORS its 3-year schedule of meter replacement activity, and to update both the Commission and ORS annually on its progress on the meter replacement project. On July 26, 2006, Lockhart submitted its 3-year schedule of meter replacement. This letter serves as Lockhart's second annual update on its meter replacement project.

The following schedule was filed on July 26, 2006, indicating the progress that had been made through the first half of 2006 and the plans for replacement beyond that point. The schedule also included expected growth in the total number of active meters. It was pointed out that we were actually ahead of schedule as of the date of the letter. (The initial intent was to replace approximately 1,100 meters per year and to be finished as of the end of year 2008.)

<u>Date</u>	<u>Active Meters</u>	<u>Replaced Meters</u>	<u>Meters Remaining to be Replaced</u>
12-31-05 Actual	6,152	3,099	3,053
6-30-06 Actual	6,193	3,834	2,359
12-31-06 Estimated	6,200	4,400	1,800
12-31-07 Estimated	6,250	5,500	750
12-31-08 Estimated	6,300	6,300	0

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PSC SC  
DOCKETING DEPT.

Since the July 26, 2006 response, Lockhart has remained ahead of its schedule and actually completed the replacement process before the end of December, 2007, a full year earlier than originally planned. (See table below)

<u>Date</u>	<u>Active Meters</u>	<u>Replaced Meters</u>	<u>Meters Remaining to be Replaced</u>
12-31-05 Actual	6,152	3,099	3,053
6-30-06 Actual	6,193	3,834	2,359
12-31-06 Actual	6,215	4,738	1,477
12-31-07 Actual	6,161	6,161	0

As also required in the Order, Lockhart tested each new meter to insure its required accuracy before placing the meter into service. It likewise tested each old meter that was removed from service. Our practice was that any billing for a meter found upon removal to be "fast" by more than two (2) percent was to be corrected. Only one meter was found during 2007 to be "fast" by more than two (2) percent. However, this customer had zero electric usage recorded where the meter had been located, and had received only minimum monthly billings for service. Therefore, no correction of this account was required.

Another provision of the Order was that Lockhart is to provide the Commission and the ORS an annual progress update showing a summary of final testing results of meters that were removed from service. Please find enclosed a two-page summary of the meter test results from meters removed from service and tested during Calendar 2007.

The final step of this process will be for Lockhart to develop a Sample Meter Testing Plan and to submit this plan to the Commission on or before December 31, 2008 in order to assure future compliance with Commission Regulation 103-370. This final step of the process is now about to begin. Upon completion, Lockhart will file such a plan with the Commission before the end of this calendar year as directed.

Should you have any questions or need further information regarding this matter, please do not hesitate to contact me.

Yours sincerely,  
LOCKHART POWER COMPANY

*Bryan D. Stone*

Bryan D. Stone  
Business Manager

BDS/pwi

cc: Mr. C. Dukes Scott, Esq.  
Mr. M. John Bowen, Jr. Esq.

Statistical Analysis Report

Based On Single Phase "As Found" Accuracy Results

	SFL:	SLL:	SPF:	WA:
Mode =	00.00	00.00	00.00	100.00
Mean =	99.12	98.32	98.59	98.95
Std. Dev. =	9.19	10.53	9.76	9.34
1 Sigma =	89.93 to 108.32	87.78 to 108.85	88.84 to 108.35	89.61 to 108.29
2 Sigma =	80.74 to 117.51	77.25 to 119.38	79.08 to 118.11	80.26 to 117.64
3 Sigma =	71.55 to 126.70	66.72 to 129.91	69.32 to 127.87	70.92 to 126.98
4 Sigma =	62.35 to 135.89	56.19 to 140.44	59.56 to 137.63	61.58 to 136.33

Fast Meter Count

+1	+2	+3	+4	+5	+6	+7	+8	+9	+1	>1.5	<1.5	<2	>=2
188	181	124	98	55	29	14	16	26	0	10	2	2	1

Slow Meter Count

-1	-2	-3	-4	-5	-6	-7	-8	-9	-1	<-1	>1.5	<-1.5	>=2
183	165	116	88	72	44	29	27	26	10	41	6	6	52

Graph

View Setup

Next

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Load Setup

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Limits Options

Help

Graph -- As Found Single Phase Weighted Average Accuracy Counts

